

WORLDWIDE SECURITIES SERVICES



Managed Account SolutionsSM

JPMorgan is a leading provider of managed accounts outsourcing solutions to investment managers. We offer a full suite of services specifically designed to allow investment managers to outsource their operational and administrative SMA infrastructure. Our full-service platform provides account workflow, reconciliation, trade support, billing, performance reporting and document management all wrapped up in a compliance fortress environment.

We provide the industry's most comprehensive, fully integrated managed account service, binding best-in-class portfolio manufacturing, reconciliation and back-office functions into a single coordinated and auditable system. Under a highly efficient operations model, our Web-based integrated platform offers paperless document management and a single interface for sponsor interactions. We provide a wide range of flexible and innovative services at a specific, per account cost, allowing our clients to plan for growth more easily and enter new markets with new products at greatly reduced operational costs.

End to End Workflow Integration

Our relational database allows us to enter data once and have it accurately referenced throughout the platform. Electronic storage of

contracts automatically provides notification to operations associates that next steps can be taken.

Full Shadow Environment with Real Time Access

Accounts across all sponsors are fully shadowed, with real time trade information and execution details continually available. Enterprise-wide AUM and account information is available instantly, allowing you monitoring of specific program metrics that are meaningful, such as recent sponsor or program trends, or inflows from specific sources.

Automated Straight Through Processing Trade Links

Direct automated sponsor trade links are established from within the JPMorgan Managed Account Solutions platform, allowing you to trade all accounts from within one single source. This allows you to closely regulate and monitor your trade rotation practice and best execution in an automated fashion.

Fully Secure Platform

Our platform provides a comprehensive audit trail with heavy authentication. Every action taken by an operator or portfolio manager is recorded, time stamped with the appropriate user ID and stored. Each time a change is made, a complete snapshot of the account or model is taken and stored.

Comprehensive Billing Reconciliation Module

Each billable event generated by every account over the prior quarter (or month) is calculated independently and compared against each sponsor's payments. A full reconciliation is conducted, and all discrepancies above an agreed-upon tolerance limit are researched with the sponsor. This provides you with a comprehensive recalculation and reconciliation of your revenue stream from each sponsor.

Paperless Document Management

JPMorgan's paperless document management system integrates seamlessly and fully with all workflow processes. All account level and client level documents, including emails and faxes, are scanned upon arrival and stored directly at the account level. You always have instantaneous access to all account documents within the Managed Account Solutions Platform.

Compliance Fortress

Managed Account Solutions offers secure access login, with heavy authentication. The platform has successfully undergone massive penetration testing. In addition, we provide intense restriction compliance monitoring, with two sets of eyes reviewing every restriction change. New account setup requires double verification,

and we monitor cash and security drift violations. Access is carefully controlled at the user level, allowing you to grant employees entry into only certain areas of the platform. All changes are automatically recorded in a complete audit trail.

No Minimum Fees

With JPMorgan Managed Account Solutions, you only pay for what you use.

Automated Account Opening

Our platform provides an automated account opening process for accessing, reviewing and creating new managed accounts. The platform has an integrated workflow engine that automatically routes accounts through the process as each step is successfully completed. The asset manager can tailor all workflows to meet its needs, such as requiring a supervisor to approve restricted accounts or routing dual contract accounts for legal review. By fully leveraging workflow rules with the document imaging solution, managers gain significant control and efficiencies. The core process is based on the MMI (Money Market Institute) new account opening process, but can be tailored to a particular manager, sponsor or product.

Portfolio Rebalancing & Tax Optimization

JPMorgan Managed Account Solutions provides tax optimized portfolio rebalancing support for managing:

- Strategic asset allocation: The product ensures that each client account tracks the desired asset allocation. When an account drifts beyond a specified threshold of acceptable deviation, the over-weighted asset class (or sleeve) is reduced and cash is shifted to the under-weighted sleeve. This is done while adhering to any client or firm restrictions.

- Tracking to a model: For each sleeve within an account (or one sleeve in a single-style account), we convey the buy and sell transactions so the account will track the percentage weightings of each security in the model. This is done while adhering to any client or firm restrictions.

Product Support

We support multi-currency products including foreign ordinary shares, and utilize a robust Institutional accounting and trading system to enable managers to create portfolios based on their research ideas – not limited by what the technology can support.

Performance Measurement

JPMorgan provides account-level performance for traditional single-style managed accounts. For multi-discipline accounts and unified managed accounts, we provide both sleeve-level and overall account-level performance, including AIMR-compliant composites and reporting. As part of this service, we calculate a series of “drift factors”

that assist in determining the cause of individual account and specific sleeve drift.

Management Reporting

We provide a series of management, operations and quality control reports that span all products and sponsor relationships and provide immediate answers to questions such as:

- How many accounts were opened last month across all sponsors and for what products?
- What were net asset flows last month, last quarter or last year, and are the flows increasing or decreasing over time?
- Who are the top financial advisors in terms of accounts or assets?
- What is the top selling product?
- How many accounts are below the required minimum?
- What were the investment returns for a particular product and for all the accounts tracking that product?

These reports are graphical and can be customized ‘on the fly’ by the manager, often as simply as dragging and dropping data elements into or out of the report.

To learn more about how JPMorgan Managed Account Solutions can optimize the efficiency of your managed account program, please contact your relationship manager or Steven A. Smith at 312-954-9510. For additional information, visit us at jpmorgan.com/wss.

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